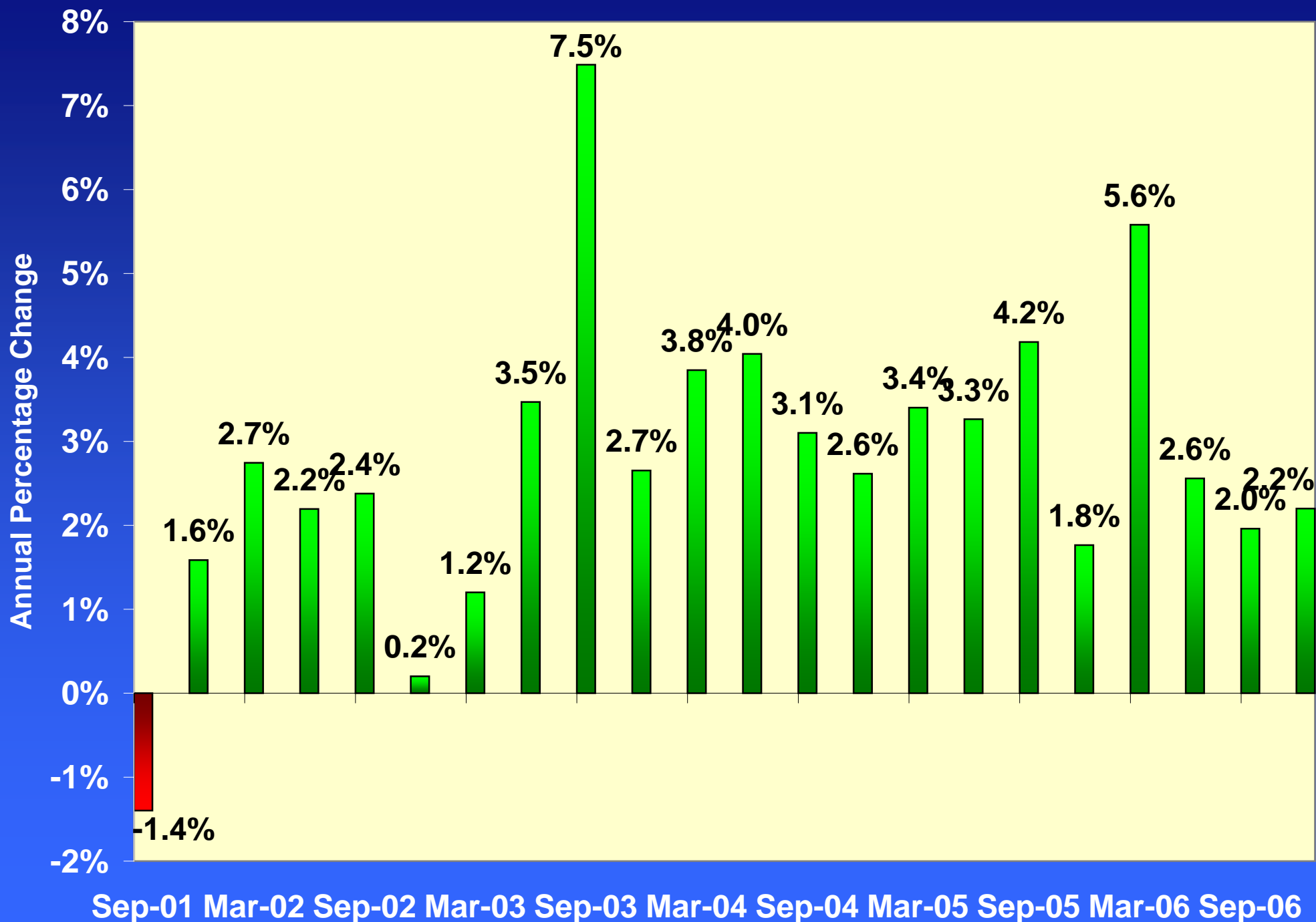
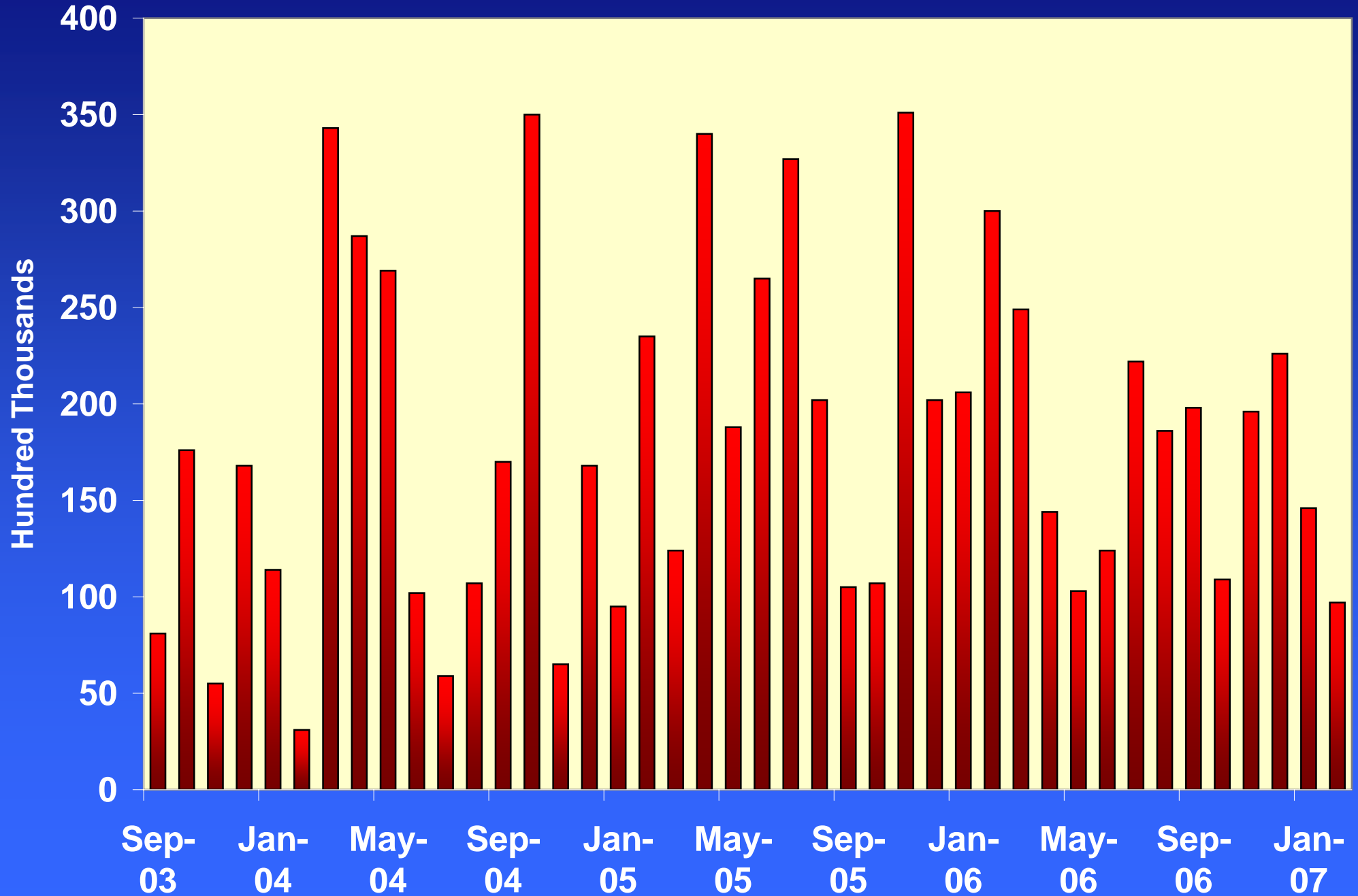


Economy Expands 21 Consecutive Quarters

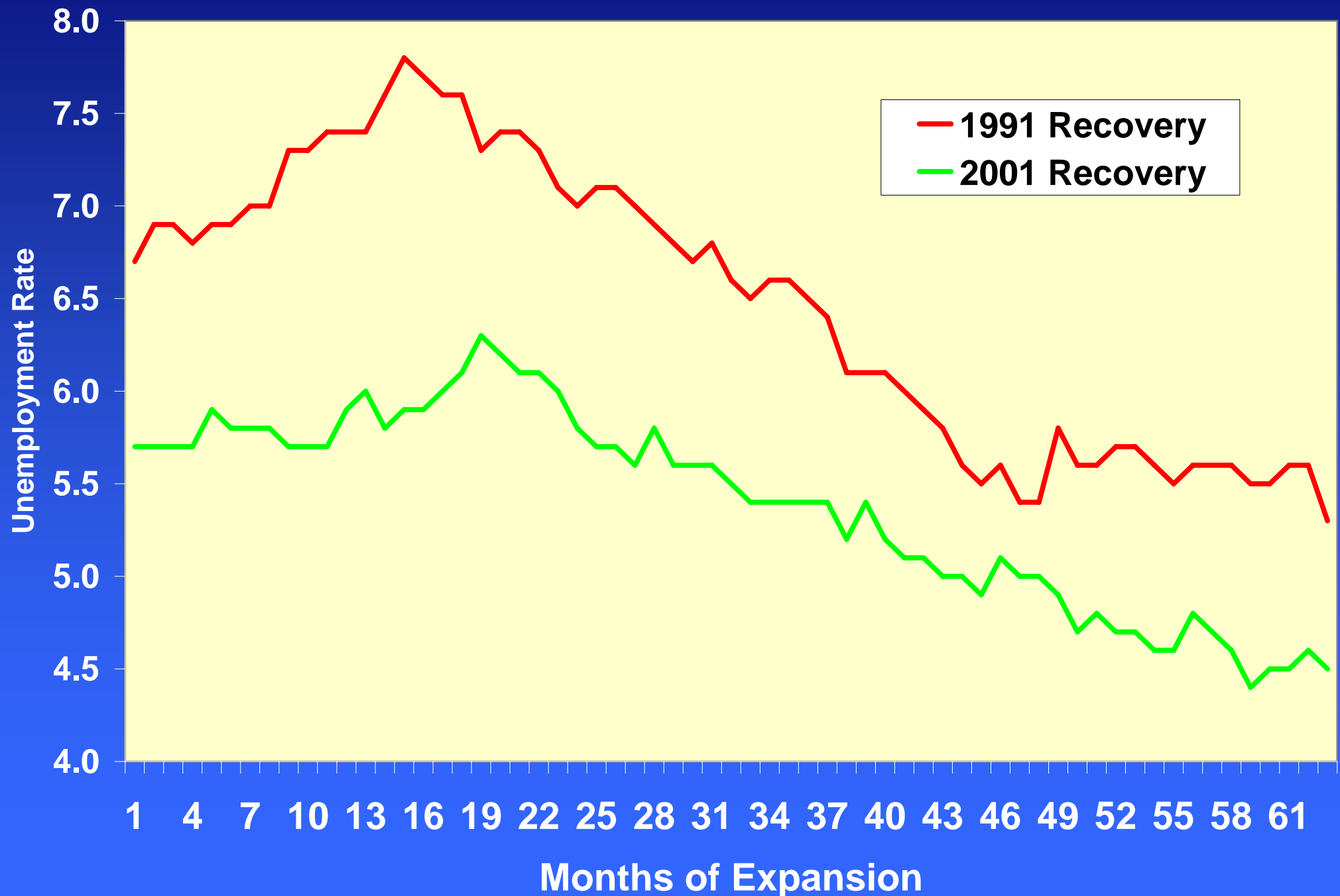


Employment Expanded 42 Consecutive Months Generating 7.6 Million Jobs

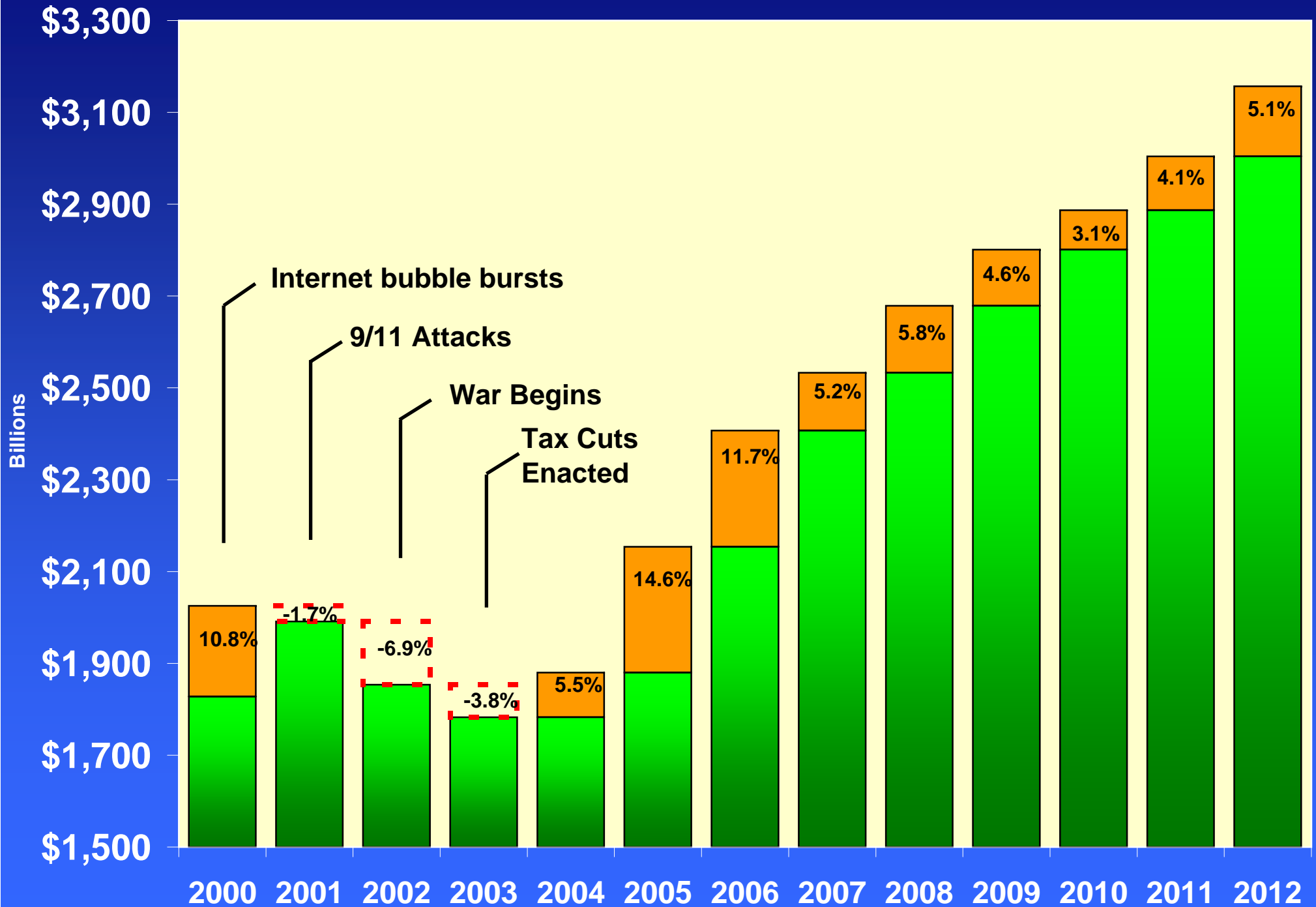


Source: BLS, Senate Budget Committee Republican Staff

Unemployment Rate 1 Percentage Point Lower Than At Same Point in Prior Recovery

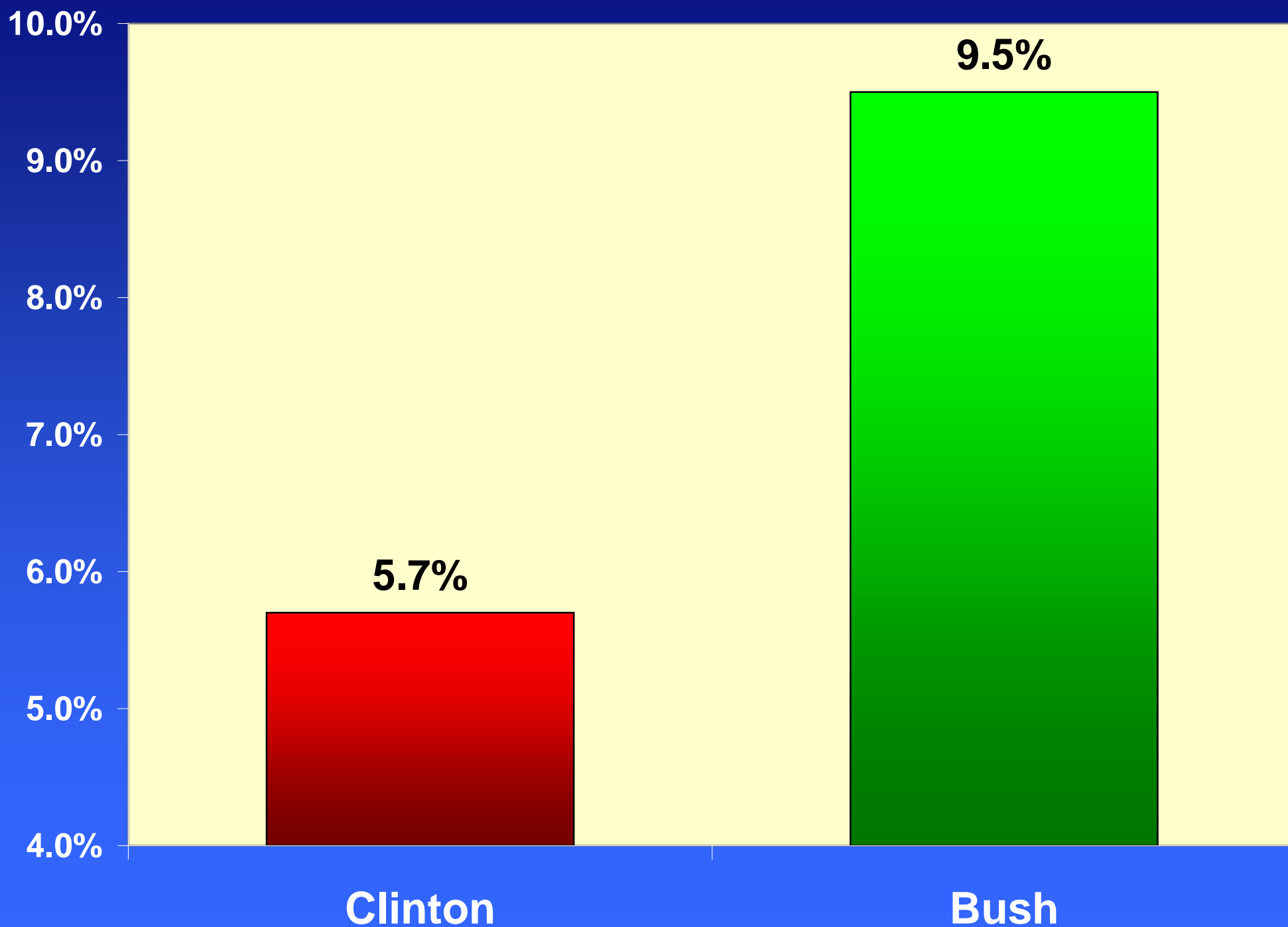


Economic Growth Propels Revenues



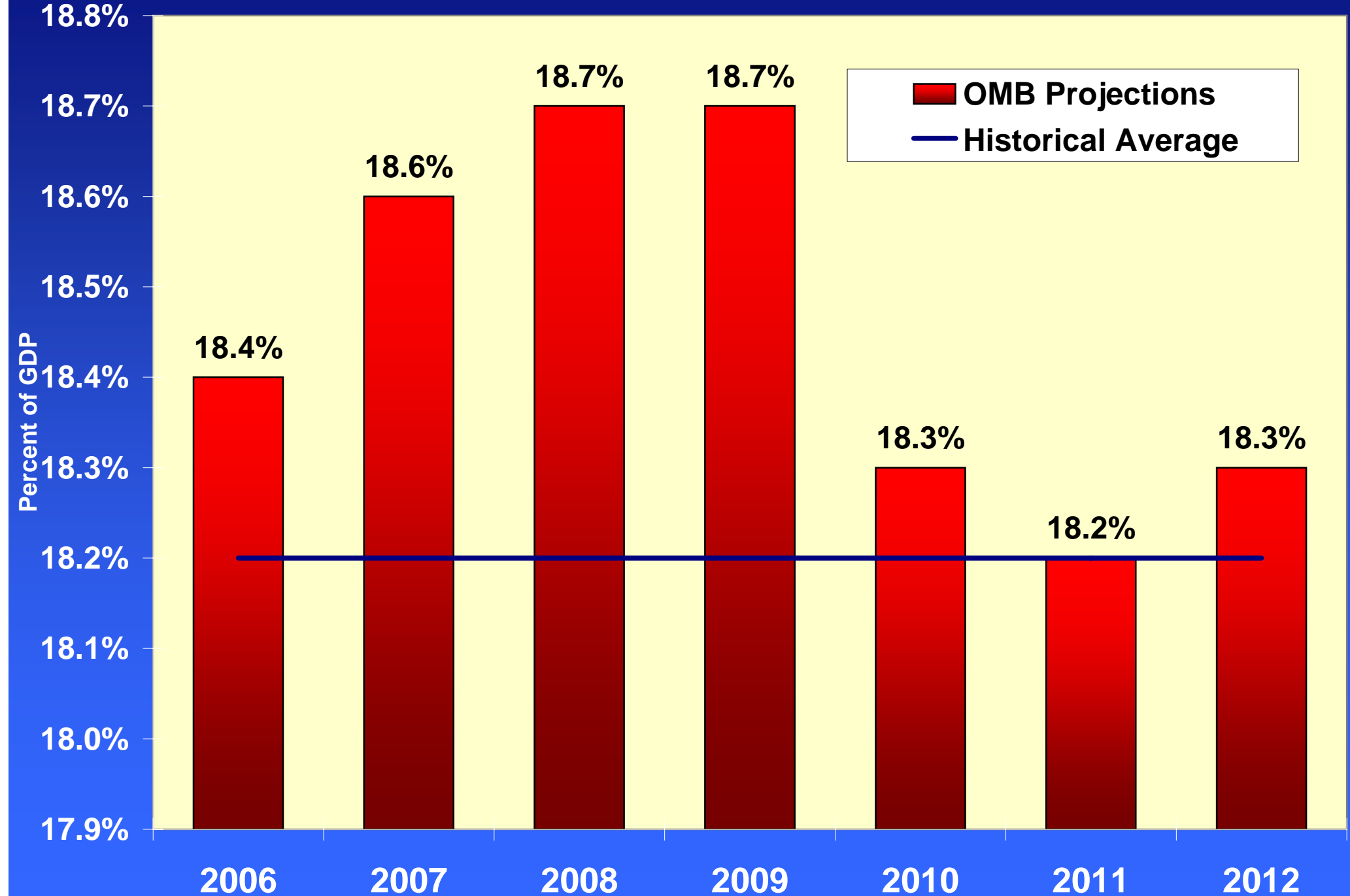
Source: Budget Committee Republican Staff Analysis of CBO Data

Real Wages & Benefits Increase More Under President Bush



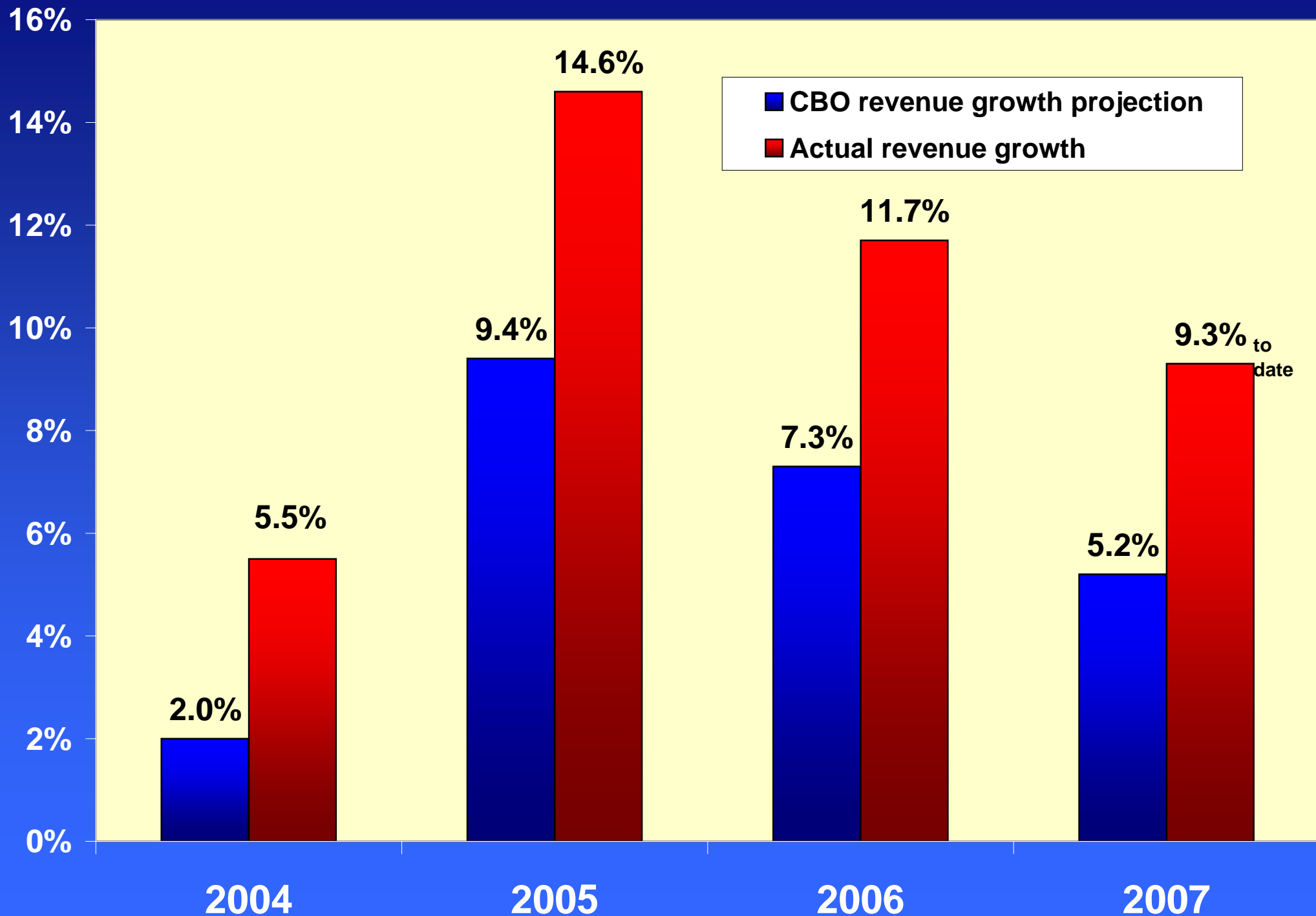
Source: BLS, Senate Budget Committee Republican Staff

Projected Revenues Exceed Historical Average



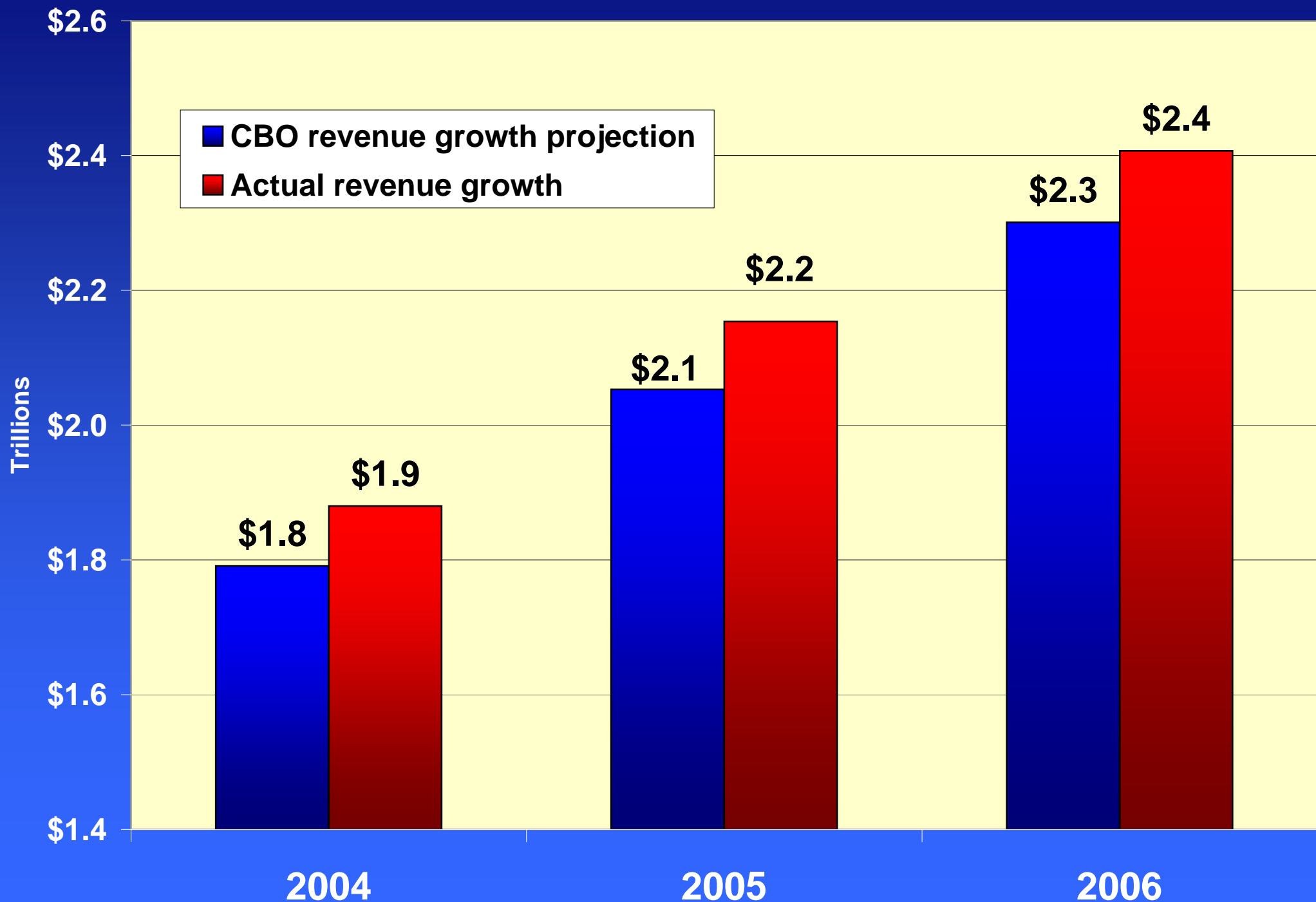
Source: OMB, Senate Budget Committee Republican Staff

GROWTH EXCEEDS PROJECTIONS

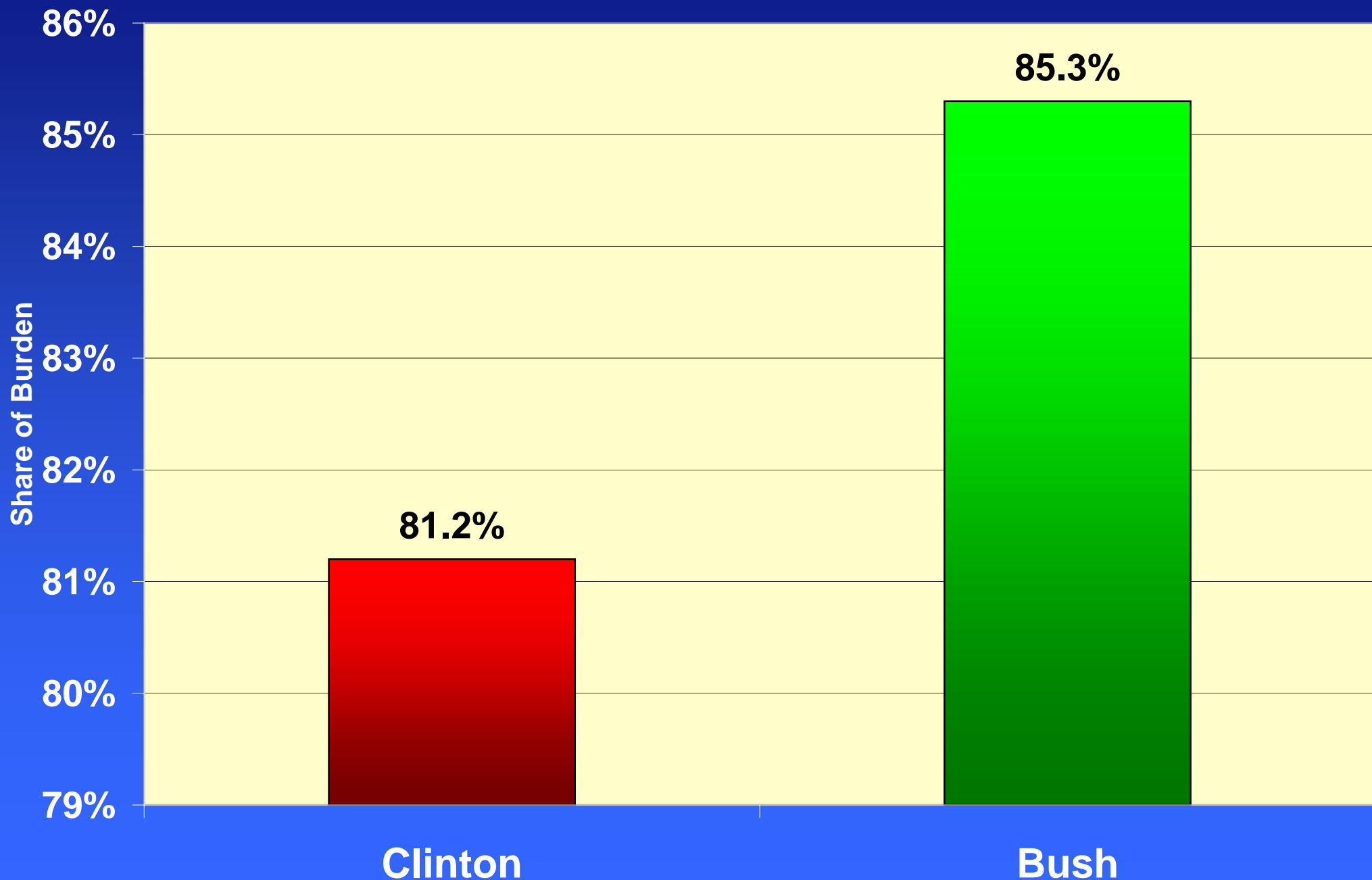


Source: OMB, Senate Budget Committee Republican Staff

GROWTH EXCEEDS PROJECTIONS

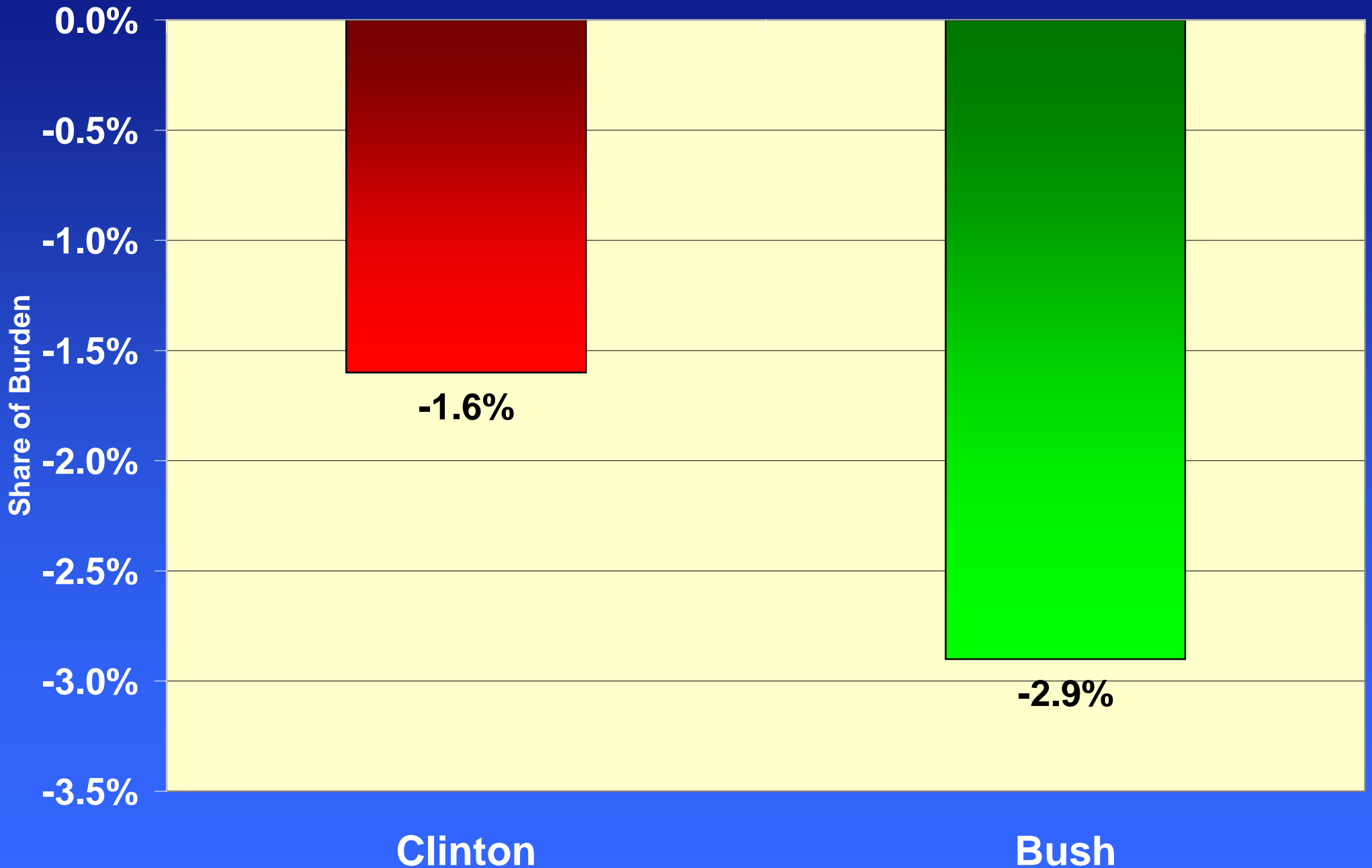


High-Income Tax Payers Bear a Greater Burden Under Bush

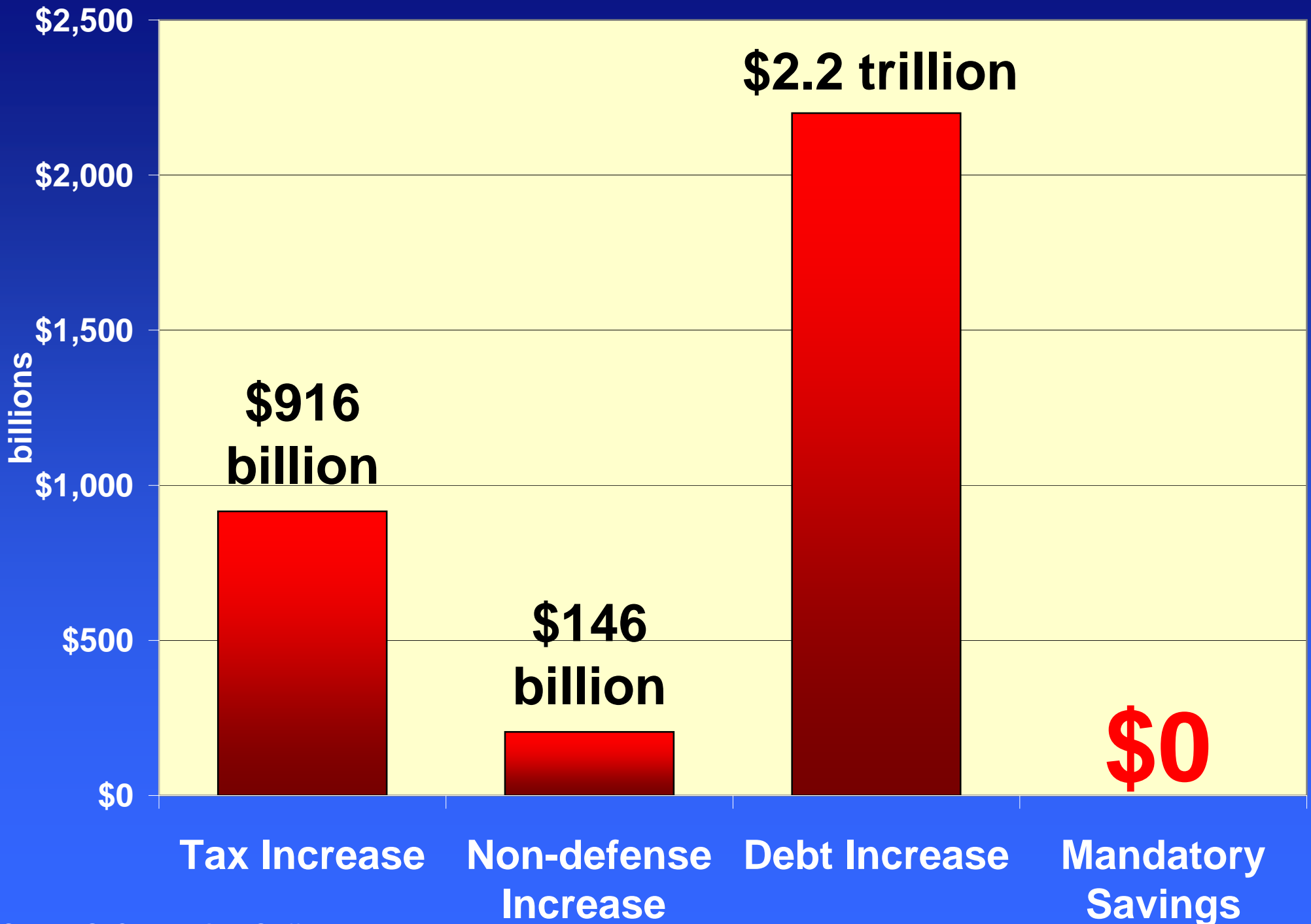


Source: Senate Budget Committee Republican Staff Analysis of CBO Data

Low-Income Receive Money Through Individual Income Tax System



DEMOCRAT BUDGET HIGHLIGHTS



Source: SBC Republican Staff

What's Left Out of the Democrats' Budget

- × Long-term entitlement reform
- × AMT relief
- × Funding for ongoing war costs beyond 2009
- × Medicare physician payment fix
- × Unexpected emergency funding
- × Spending and taxes in 24 reserve funds

“We need to be tough on spending”

Sen. Kent Conrad
60 Minutes interview, 3/4/07

Number of Spending Cuts in Democrat Budget

0

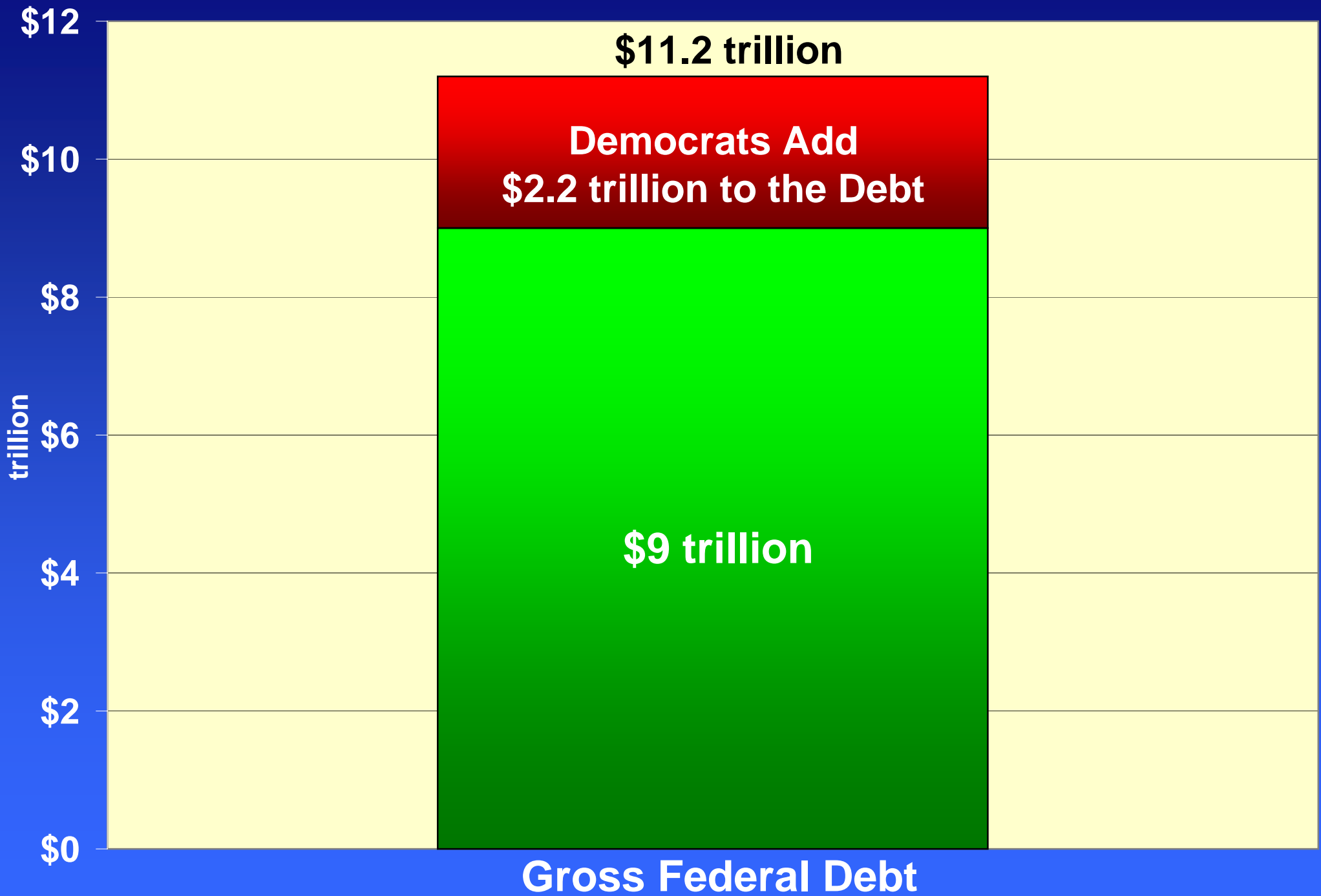
**“I believe first of all, we need more
revenue”**

Sen. Kent Conrad
60 Minutes interview, 3/4/07

Amount of Tax Increase in Democrat Budget

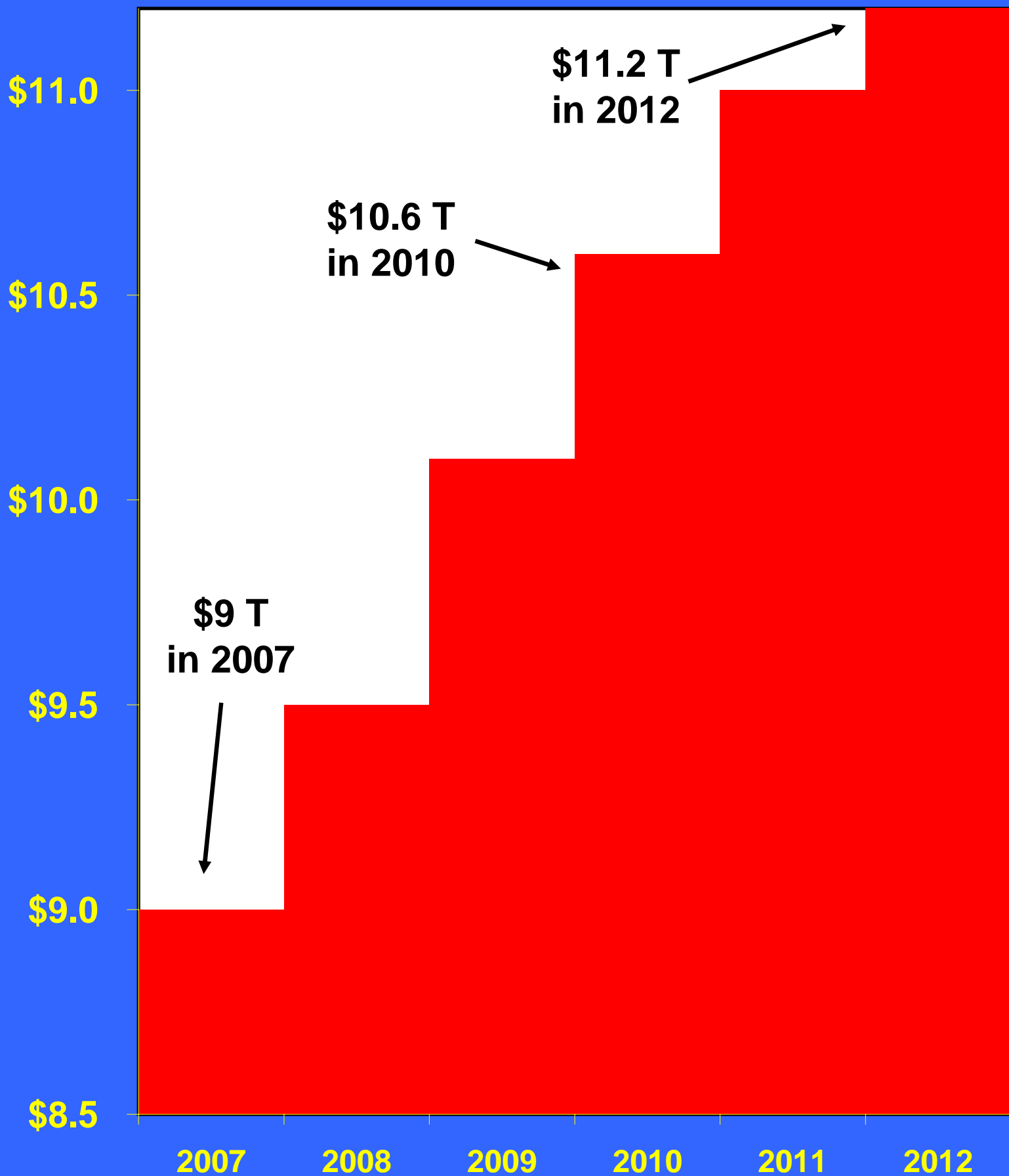
\$900 Billion

WALL OF DEBT GETS A LOT HIGHER



Building a Wall of Debt

Gross Federal Debt Soars



Social Security Dollars Raided by Democrat Budget

\$1,200

\$1,000

\$800

\$600

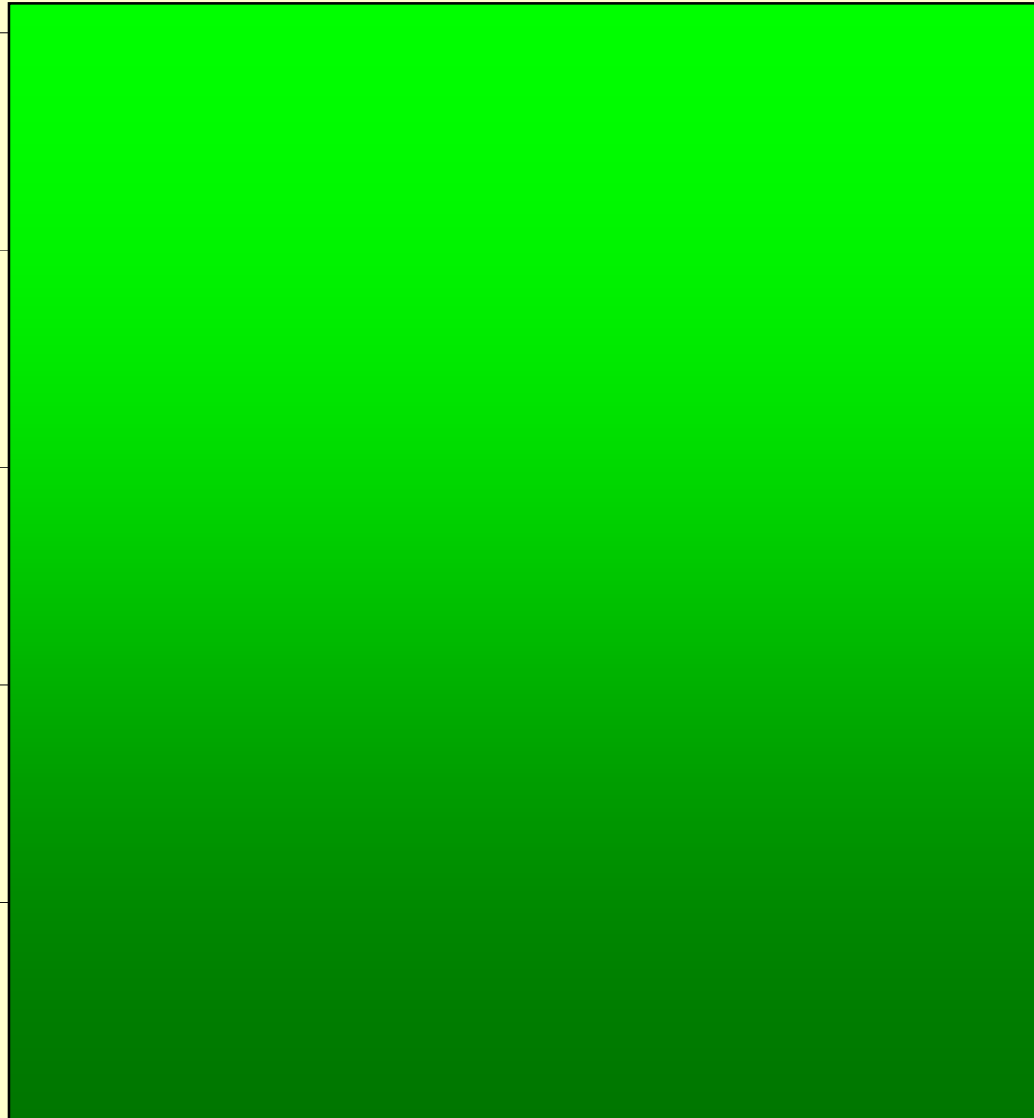
\$400

\$200

\$0

Billions

\$1.027 trillion



Building a Wall of Government Spending

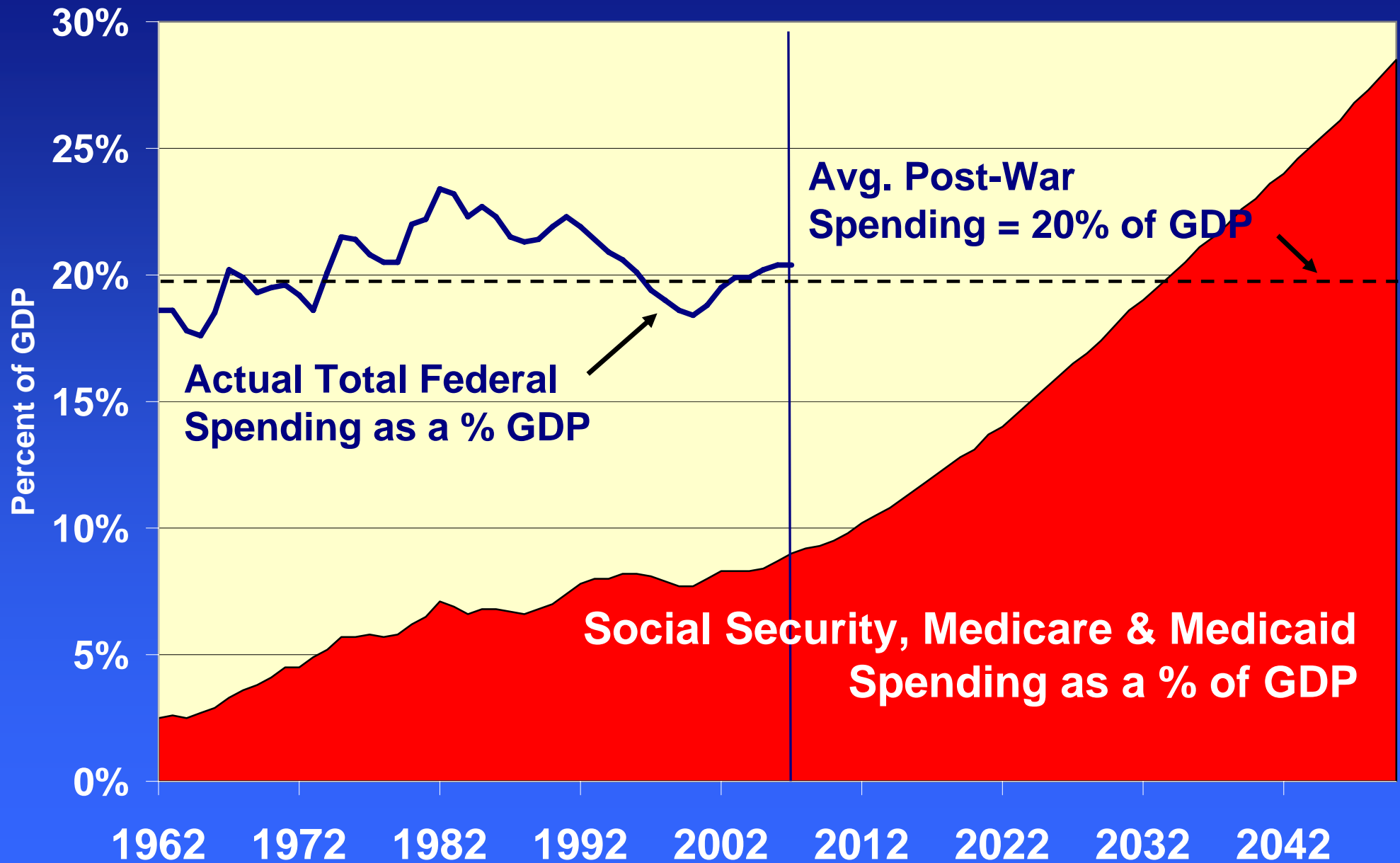
Unrestrained
Entitlement Growth

\$200b hidden in
reserve funds

Ag. “Disasters”

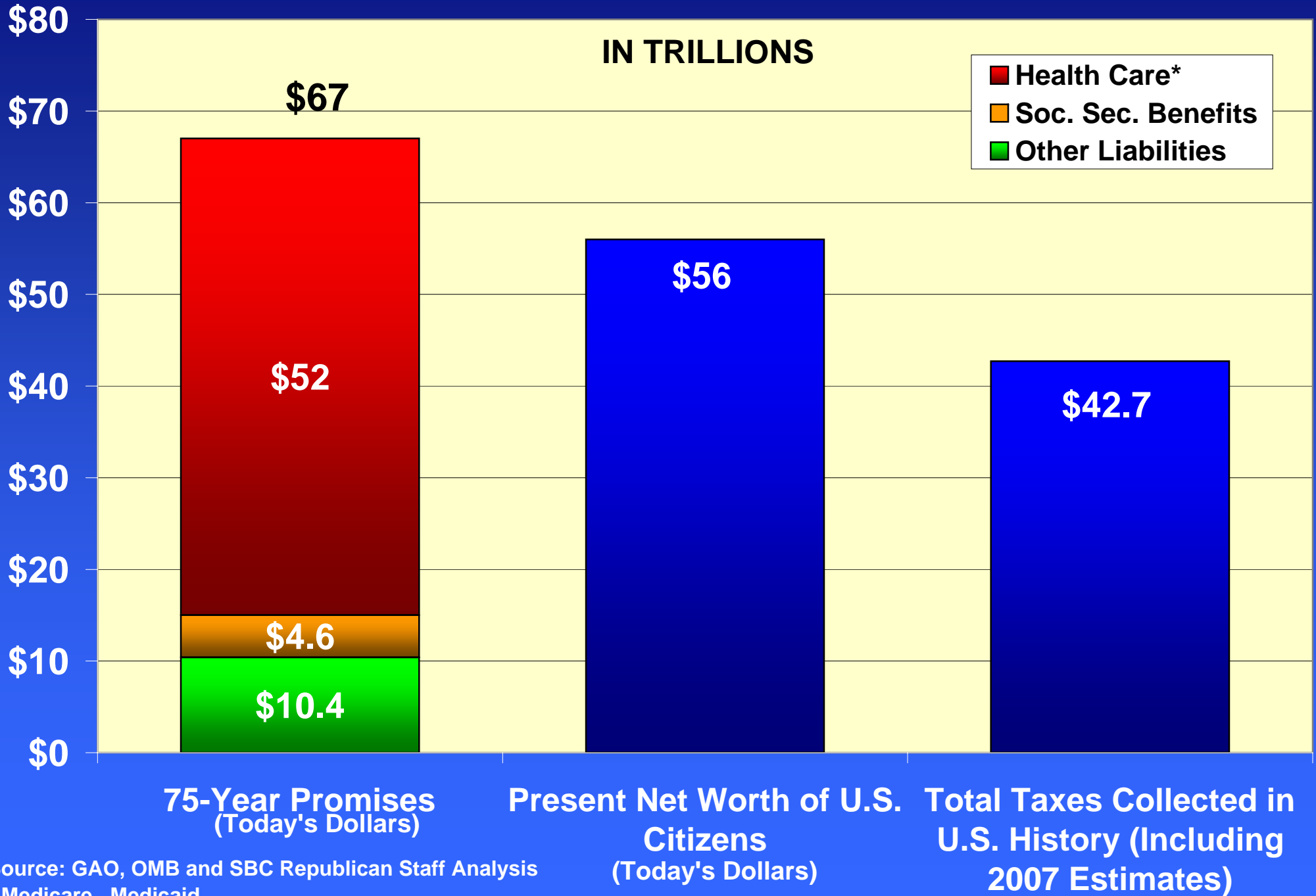
\$146b non-defense
discretionary

Mandatory Spending Grows Higher Than One Fifth of the Economy



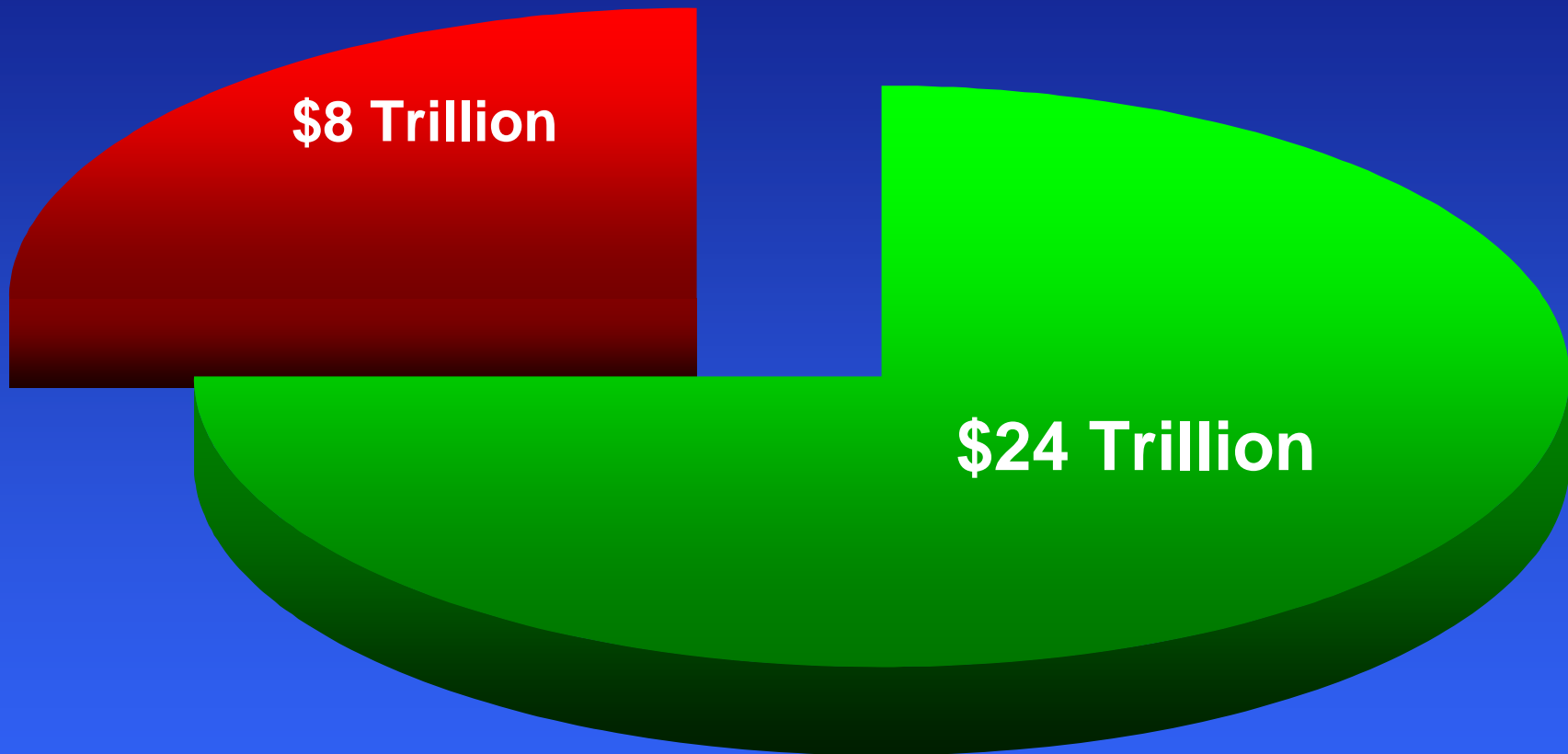
Outstanding Government Promises

Assets, Historic Revenues



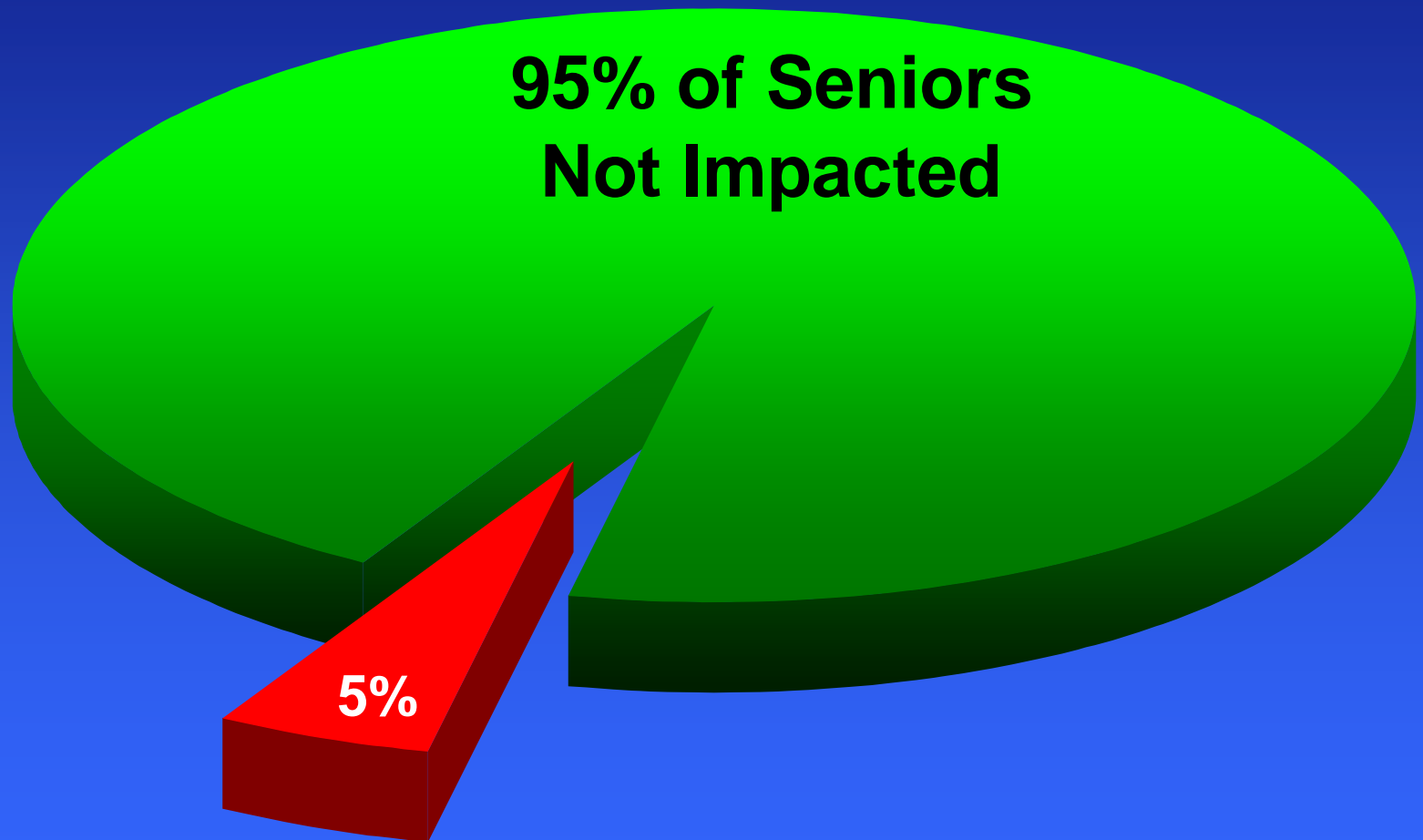
75 YEAR MEDICARE UNFUNDED LIABILITY

President's
Budget Savings



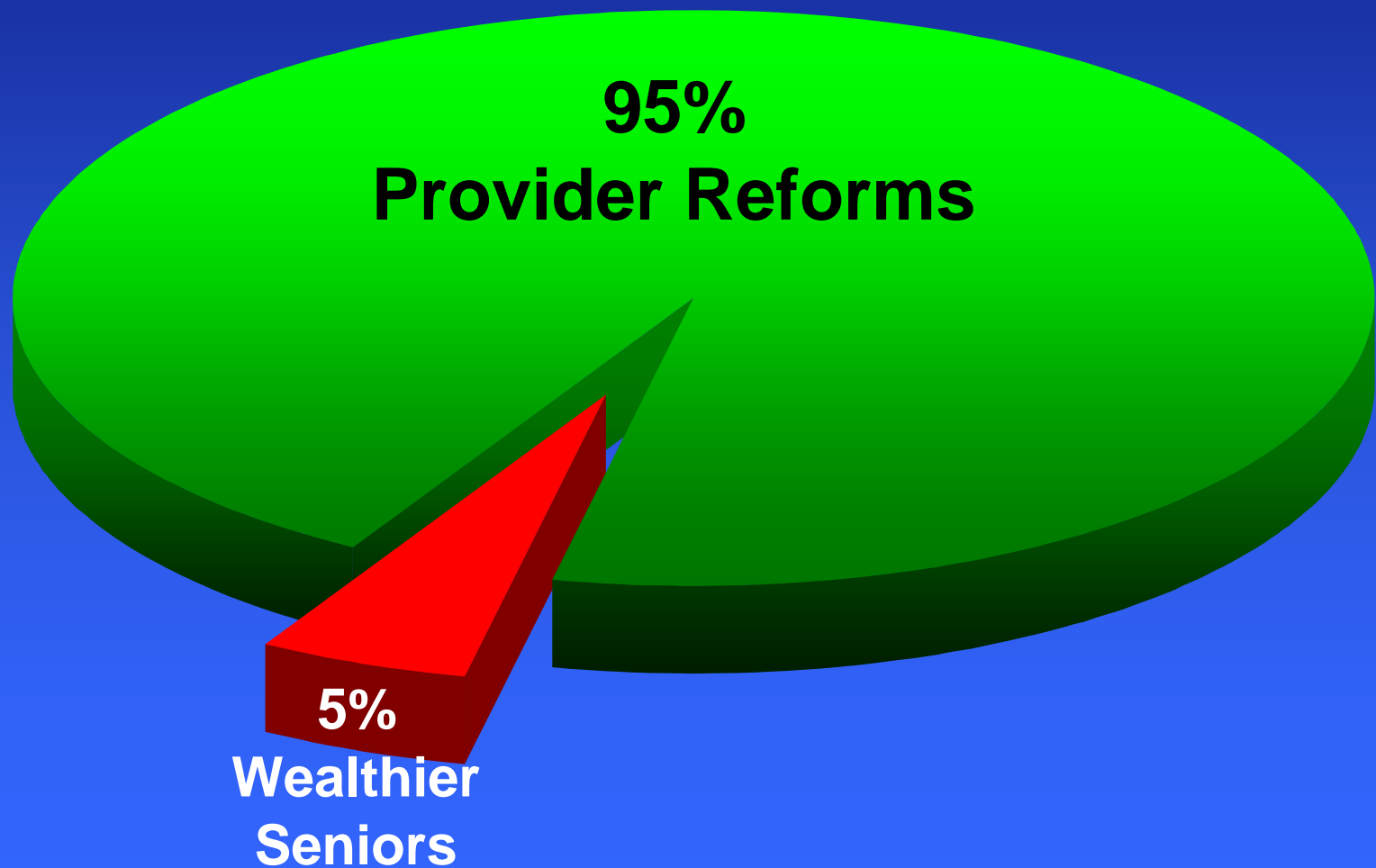
Current Total Unfunded Liability = \$32 Trillion

PRESIDENT'S COST-SHARING ONLY IMPACT THE WEALTHIEST BENEFICIARIES



Wealthier Seniors

PRESIDENT'S PROPOSAL TARGETS PROVIDERS NOT BENEFICIARIES



DEMOCRATS IGNORE IMPENDING STORM

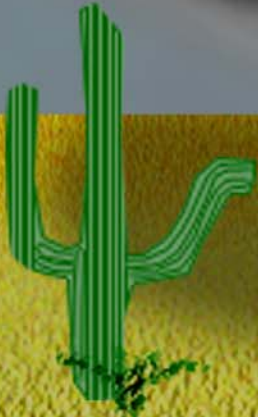
\$67 Trillion Unfunded Liability

**Medicare
\$32 Trillion**

**Other Liabilities
\$10 Trillion**

**Social Security
\$5 Trillion**

**Medicaid
\$20 Trillion**



“I have said I am prepared to get savings out of long-term entitlement programs.”

Sen. Kent Conrad

FY2008 Budget Hearing with Director Portman, 2/7/07

Number of Savings From Entitlements in Democrat Budget

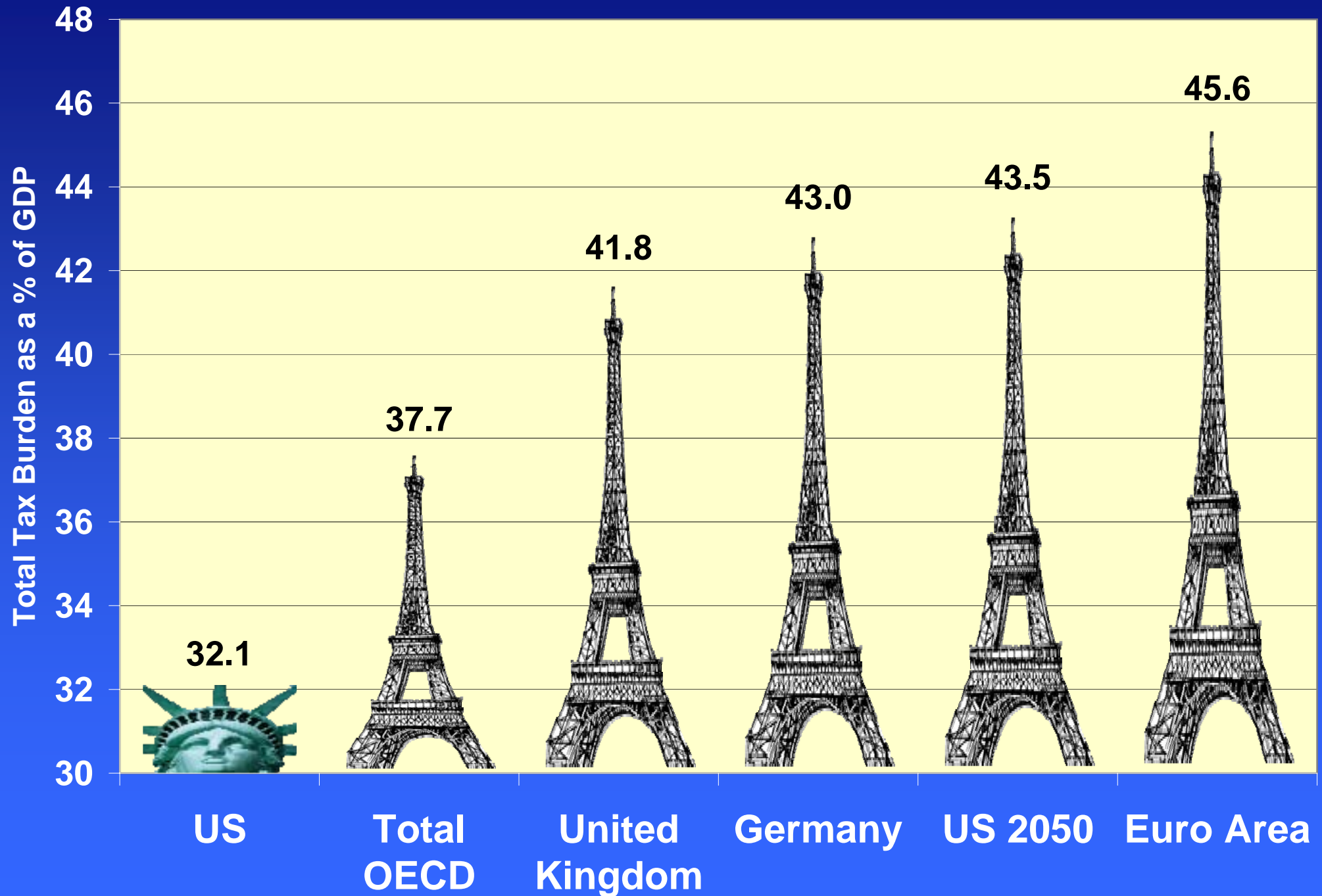
0

3%

IS A HUGE TAX INCREASE

3% = \$1/2 Trillion

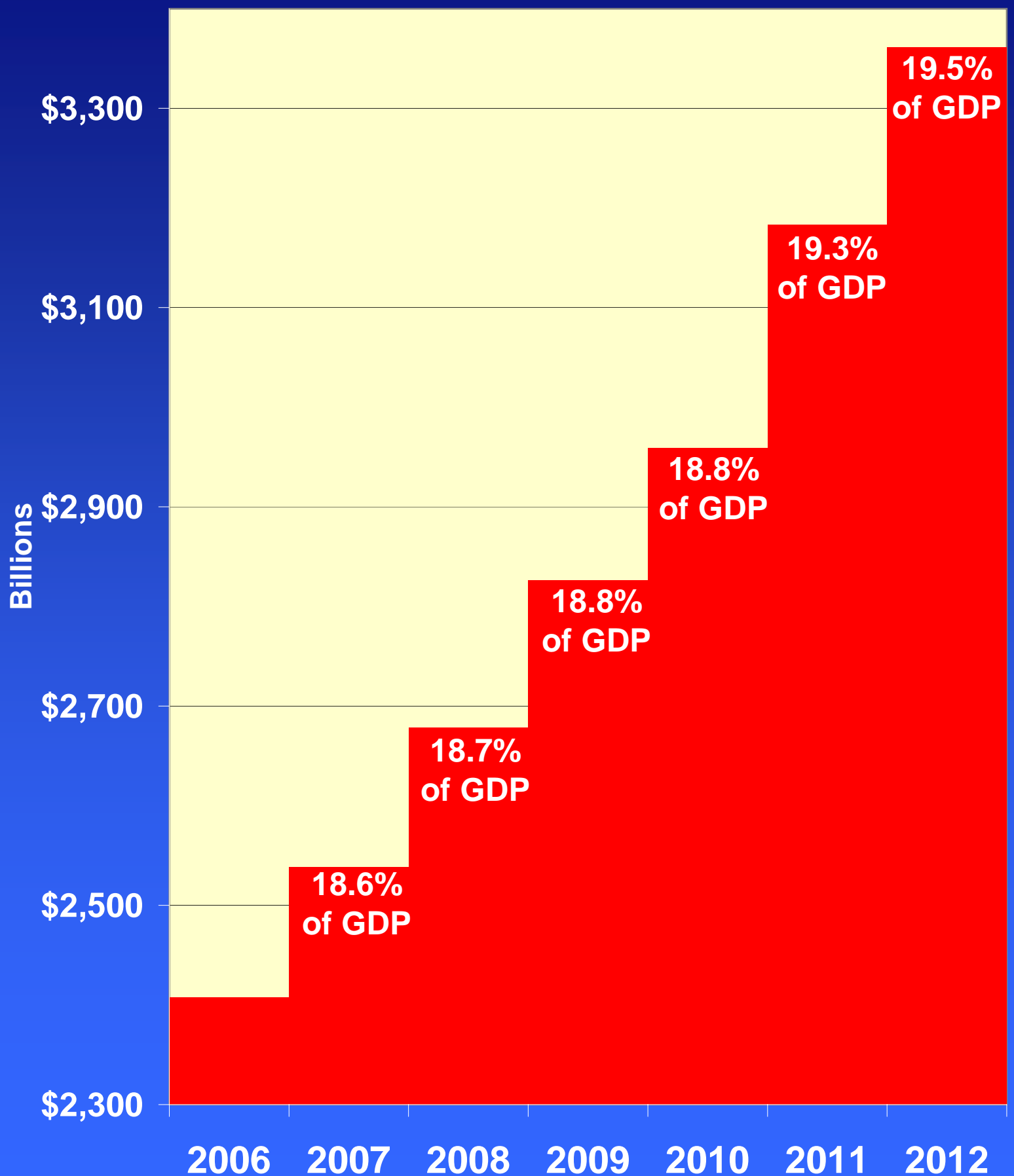
DEMOCRAT BUDGET PUTS US ON PATH TO EUROPEAN TAX LEVELS



Source: OECD, SBC Republican Staff Calculations

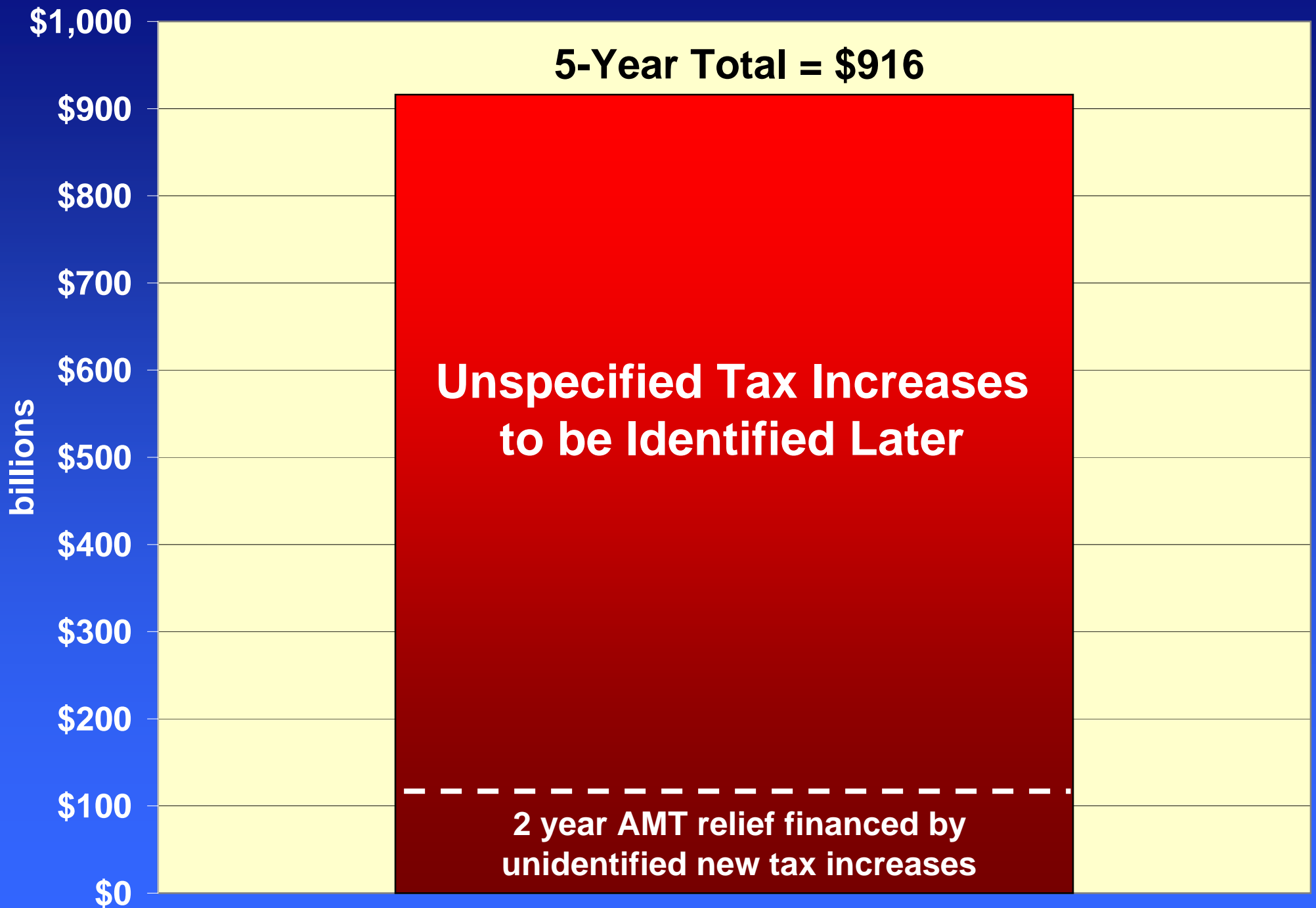
BUILDING A WALL OF TAXES

Revenue Levels in Democrats' Budget



Source: SBC Republican Staff

HOW MUCH WILL TAXES GO UP?

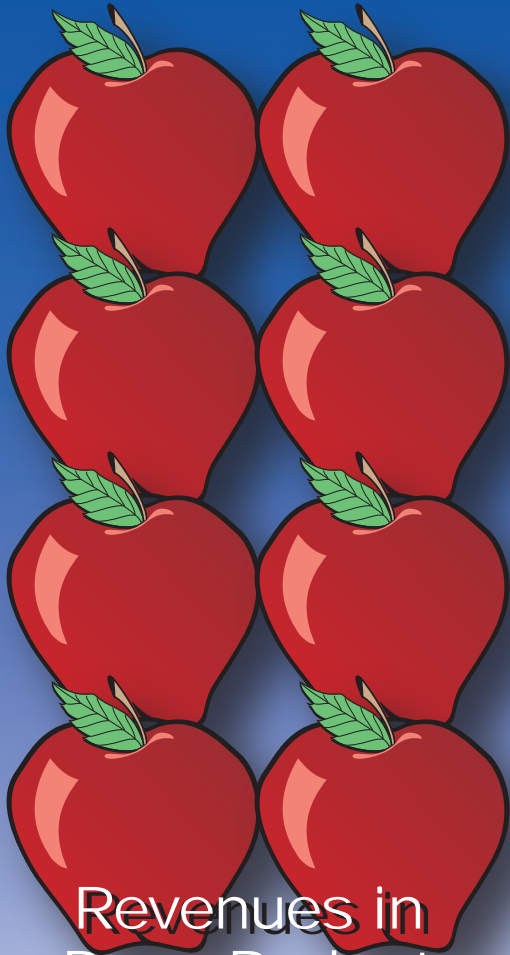


Source: Joint Committee on Taxation, SBC Republican Staff

Democrats' Apples & Oranges

OMB Scoring

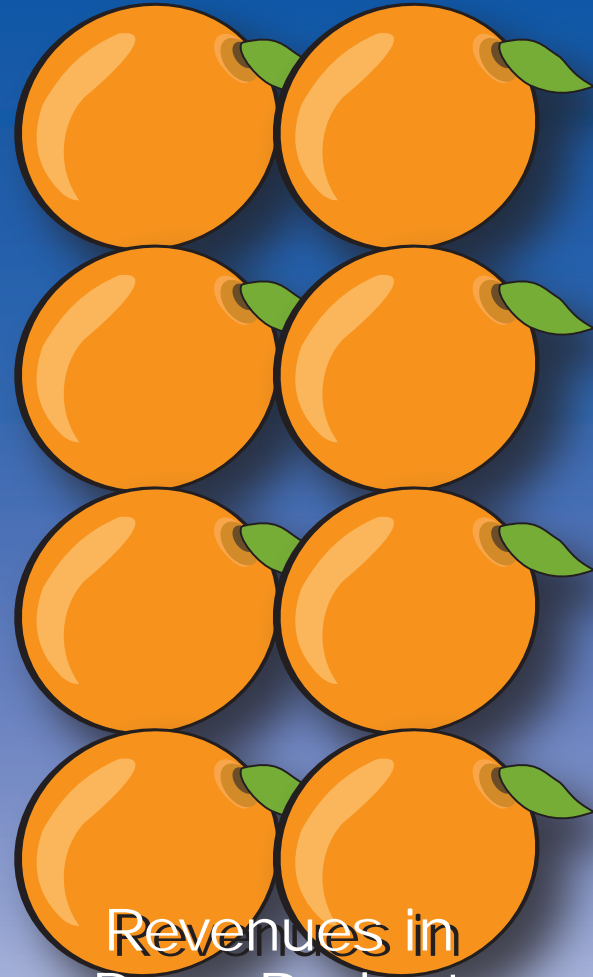
\$14.8 Trillion



Revenues in
Pres. Budget

CBO Scoring

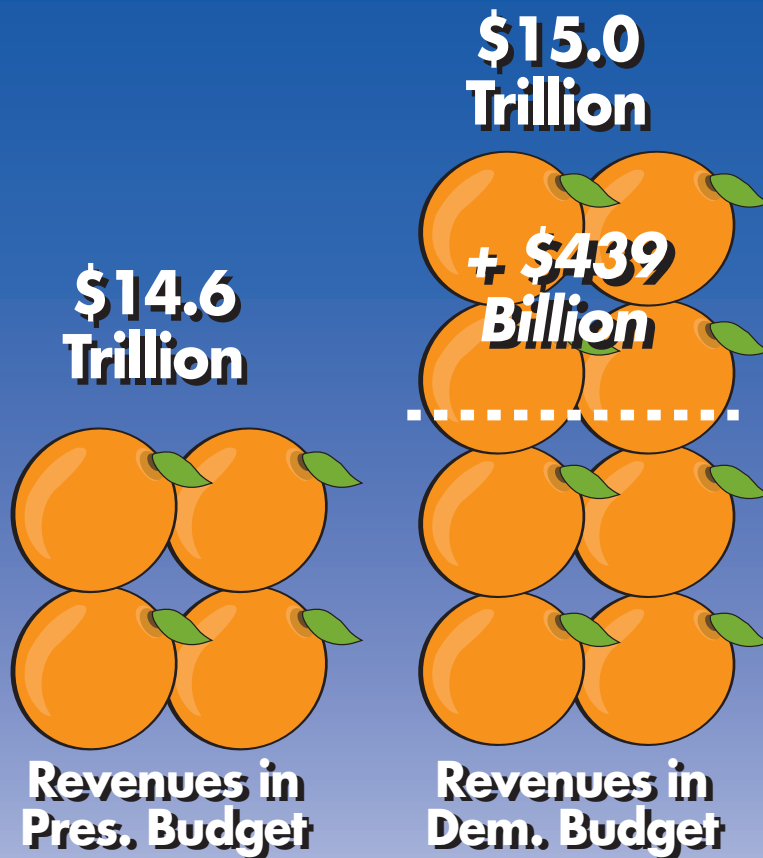
\$15.0 Trillion



Revenues in
Dem. Budget

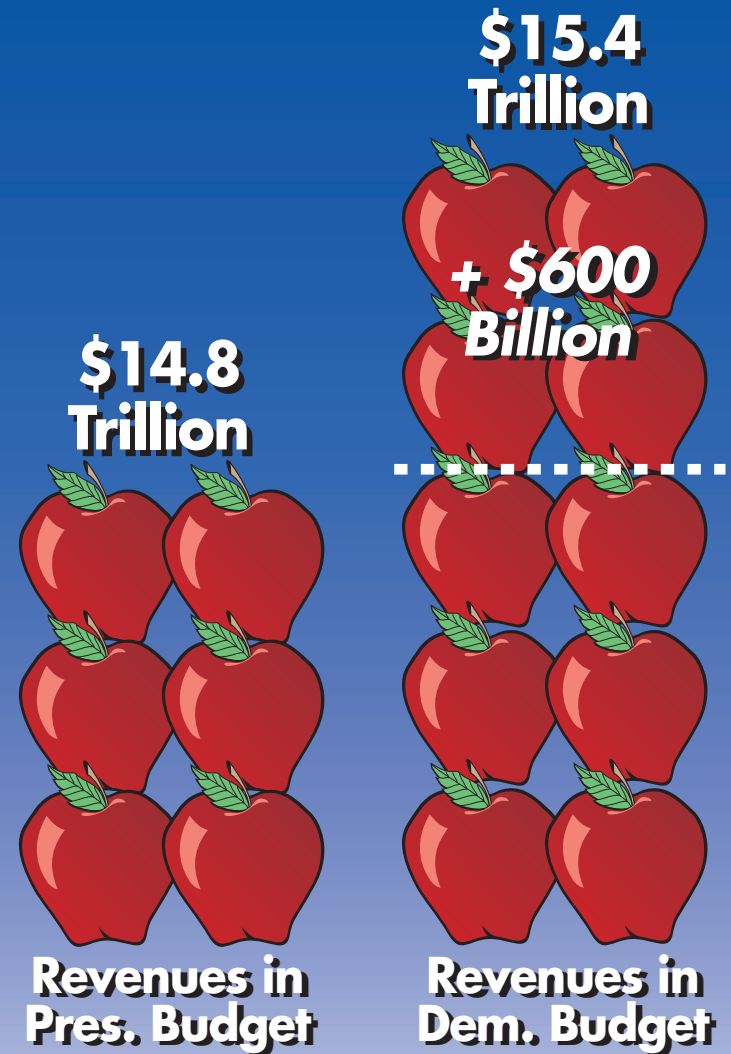
Oranges to Oranges

CBO Scoring



Apples to Apples

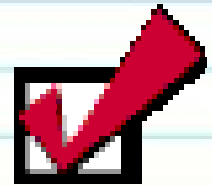
OMB Scoring



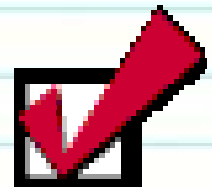
To Do:



Raise taxes by \$916 billion



Increase spending by \$146 billion



Pass debt on to our children

